

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND

IN RE

NAPPA REALTY, LLC,

Debtor

CASE NO: 10-11413

Chapter 11

OBJECTION OF THE UNITED STATES TRUSTEE TO
DEBTOR'S MOTION TO FILE A COMBINED PLAN AND DISCLOSURE STATEMENT

Pursuant to 28 U.S.C. § 586(a)(3)(B), 11 U.S.C. § 1125 and Fed. R. Bankr. P. 3017, the United States Trustee objects to the Debtor's motion to file a Combined Plan and Disclosure Statement (Doc. #26), as the Combined Plan and Disclosure Statement (Doc#27) fails to provide adequate information.

In support, the United States Trustee says:

1. The Combined Plan and Disclosure Statement ("DS") asserts on page 15 that classes 1, 2 and 3 are unimpaired.
2. In order for a class of claims to be unimpaired under a plan the plan must- "leave unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder of such claims or interests . . ." 11 U.S.C. §1124(1).
3. The instant plan does modify the legal equitable and contractual rights of the parties and therefore the DS does not accurately describe the plan to creditors. Because these classes are impaired, they are entitled to vote on the plan. *See* 11 U.S.C. §1126.

4. The DS fails to provide an adequate explanation for the Debtors failure to collect rent from the related entity Nappa Construction Management LLC during the post petition period.

5. The undersigned has consulted with counsel to the Debtor prior to filing the instant objection and is informed that an amended plan and disclosure statement will be submitted to address the above issues.

WHEREFORE, the United States Trustee prays that the Court enter an order denying the motion, and granting such other relief as justice demands.

Respectfully submitted,
JOHN P. FITZGERALD, III
Acting United States Trustee

Dated: July 9, 2010

By: /s/ Gary L. Donahue
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CERTIFICATION OF SERVICE

I hereby certify that on July 9, 2010, I electronically filed the above Objection with the Clerk of the Bankruptcy Court for the District of Rhode Island using the CM/ECF System. The following participant has received notice electronically.

Peter J. Furness pjf@sfclaw.com, sfc2@sfclaw.com;kduarte@sfclaw.com

Raymond C. Pelote rpelote@wynnandwynn.com

VIA Mail to those parties listed below:

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RI Division of Taxation
Bankruptcy Unit
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State of RI - Labor and Training
Legal Department
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/s/ Gary L. Donahue

Gary L. Donahue